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Human resources management

Activities of the Ethics Office

Report of the Secretary-General**

Summary

The present report responds to General Assembly resolution 60/254 on the review of the efficiency of the administrative and financial functioning of the United Nations, in which the Assembly welcomed the establishment of the Ethics Office, endorsed its main responsibilities and requested annual reporting on the activities of the Office and the implementation of ethics policies under the agenda item relating to human resources management.

The report provides a summary of the activities of the Ethics Office from 1 August 2006 to 31 July 2007.

* A/62/150.

** The present report has been prepared following the conclusion of the annual reporting cycle of 31 July 2007.

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Contents

		Paragraphs	*Page*
I.	Introduction	1–2	3
II.	Background and general information	3–12	3
III.	Activities of the Ethics Office and implementation of ethics policies	13–57	7
	A. Standard-setting	13–17	7
	B. Training, education and outreach activities	18–26	8
	C. Advice and guidance	27–35	10
	D. Financial disclosure programme	36–51	11
	E. Protection of staff against retaliation for reporting misconduct and cooperating with duly authorized audits or investigations	52–57	16
IV.	Observations and recommendations	58–70	18
V.	Conclusion	71–74	20

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 60/254, paragraph 16 (i), in which the Assembly requested annual reporting on the activities of the Ethics Office and the implementation of ethics policies for the consideration and decision of the Assembly, as appropriate, under the agenda item relating to human resources management.

2. The report also contains a comprehensive review of the work of the Ethics Office, including the possible establishment of a group of internationally representative experts to provide periodic, independent assessment of the Office for the consideration of the General Assembly at its sixty-second session, as indicated in paragraph 16 (g) of the aforementioned resolution.

II. Background and general information

3. The establishment of the independent Ethics Office in the United Nations Secretariat was approved by the General Assembly at the 2005 World Summit (resolution 60/1, paragraph 161 (d)) in the context of the overall Secretariat and management reform initiatives, which are anchored in a culture of ethics, transparency and accountability. The Office commenced its operation on 3 January 2006.

4. The objective of the Ethics Office, as set forth in the Secretary-General's bulletin ST/SGB/2005/22, is to assist in ensuring that all staff members observe and perform their functions consistent with the highest standards of integrity, as envisaged in the Charter of the United Nations. The Office reports directly to the Secretary-General and does not replace any existing mechanism available to staff for reporting misconduct or resolving grievances.

5. The main areas of responsibility of the Ethics Office are as follows:

(a) Developing standards, training and education on ethics issues, in coordination with the Office of Human Resources Management and other offices, as appropriate, including ensuring annual ethics training for all staff;

(b) Providing confidential advice and guidance to staff on ethical issues (such as conflicts of interest), including administering an ethics helpline;

(c) Administering the Organization's financial disclosure programme;

(d) Undertaking the responsibilities assigned to it under the Organization's policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;

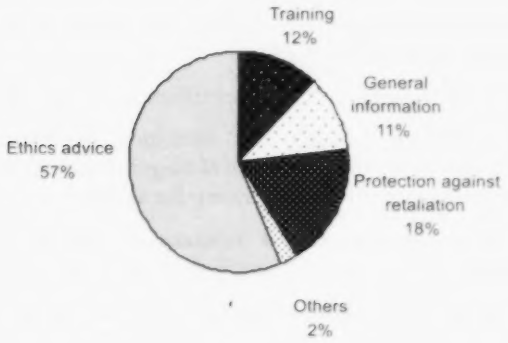
(e) Such other functions as considered appropriate for the Office.

6. The Ethics Office functions as a guardian of the ethical standards and integrity for the United Nations. In that capacity, the Office is proactive in updating those standards and providing information and advice, as well as developing content for training. In addition, the Office is consulted on the ethical implications of key policies, such as procurement and post-employment restrictions, asset investment, and personnel appointments.

7. The Ethics Office provides a secure confidential environment in which staff can feel free to consult on ethical issues and seek protection against retaliation for the reporting of misconduct in good faith. To that end, the Office maintains an ethics helpline (+1 917 367 9858) and a dedicated e-mail address (ethicsoffice@un.org). Information on the Office is also available to staff through the United Nations Intranet (iSeek).

8. The current reporting period from 1 August 2006 through 31 July 2007 marked the first full operation cycle of the Ethics Office, although it was not fully complemented until May 2007. The total number of requests for the services of the Office was 287, representing a slight increase on a monthly average basis as compared to the total of 153 requests from the period January-July 2006. Requests for services fell into the following categories: ethics advice (57 per cent); protection against retaliation for reporting misconduct (18 per cent); general information (11 per cent); training (12 per cent); and others (2 per cent). The time required to respond to each request varied considerably, from a few minutes to several weeks or longer, depending on the nature, the complexity and the circumstances of requests. Figure 1 below shows the breakdown of requests by category.

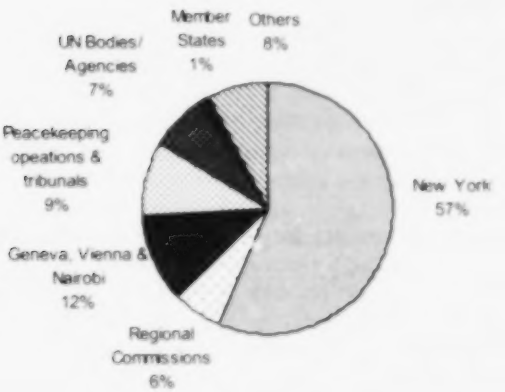
Figure 1
Requests by category
(1 August 2006-31 July 2007)



9. Requests for the services of the Ethics Office came from diverse geographical locations and groupings, as illustrated in figure 2 below: New York (57 per cent); regional commissions (6 per cent); United Nations Offices at Geneva, Vienna and Nairobi (12 per cent); peacekeeping operations and tribunals (9 per cent); United Nations bodies and agencies (7 per cent); Member States (1 per cent); and others (8 per cent). A total of 35 per cent of requests came from duty stations outside Headquarters. Compared to the figures under the previous reporting cycle, the volume of requests from other United Nations bodies and agencies increased from 4 per cent of the total to 7 per cent during the present cycle, and from 6 per cent to

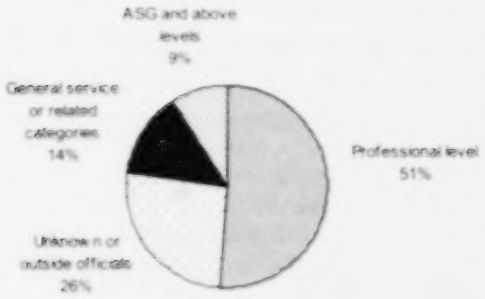
9 per cent for peacekeeping operations and tribunals. However, the volume of requests from regional commissions and New York-based staff decreased. Requests from other categories, such as former United Nations staff, is a new feature of this reporting cycle.

Figure 2
Requests by geographical location and grouping
(1 August 2006-31 July 2007)



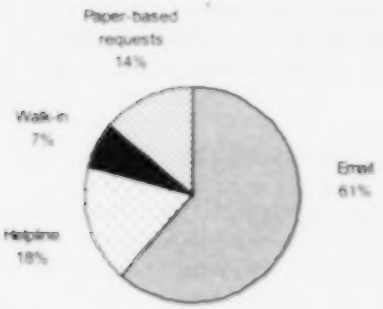
10. It is also noteworthy that requests for the services of the Ethics Office were received from staff at different levels across the Secretariat. Figure 3 below shows the breakdown of the distribution of requests by professional grade, from senior managers at the Assistant Secretary-General level and above (9 per cent), Professional staff (51 per cent), General Service and related categories (14 per cent), to those wishing not to indicate their professional levels as well as those from outside the United Nations. Compared to the information available from the previous reporting period, a 2 per cent increase in the demand for services of the Office by senior staff is noteworthy. This may be testimony to the heightened awareness of senior management of ethical issues and their implications in the work environment, such as conflicts of interest, outside activities and recruitment and appointment matters.

Figure 3
Requests by professional grade
(1 August 2006-31 July 2007)



11. With regard to the mode of contact for services by the Ethics Office, 176 requests (61 per cent) were made through electronic correspondence (e-mail), while 40 requests (14 per cent) were made through paper-based correspondence, 20 (7 per cent) by walk-in and 51 (18 per cent) by using the helpline and telephone communication. Figure 4 highlights the breakdown of requests by mode of contact. The high volume of requests made by e-mail may suggest that this mode is most preferred among the enquiring staff for various reasons.

Figure 4
Requests by mode of contact
(1 August 2006-31 July 2007)



12. As a general observation, the changes in the overall volume of requests for the services of the Ethics Office, the diversity of the sources of requests and the broad distribution of requests in terms of geographical location, groupings, professional grade and mode of contact point to the importance of ethics-related matters at the workplace, the growing need for ethics services and their accessibility and utilization at the United Nations. The following section of the report will elaborate on the main areas of work of the Office.

III. Activities of the Ethics Office and implementation of ethics policies

A. Standard-setting

13. Developing and setting ethical standards and standards of conduct is a key function of the Ethics Office, as stipulated in the Secretary-General's bulletin on the establishment of the Office (ST/SGB/2005/22). Using the comprehensive standards already in place for ensuring the highest integrity of United Nations staff, the Office is expected to update existing standards, develop new standards where necessary and conduct outreach activities on ethics issues. In doing so, the Office identifies gaps and overlapping or conflicting policies and makes recommendations for addressing these gaps and promoting the United Nations standards.

14. Several initiatives and activities related to the maintenance and strengthening of United Nations standards have been undertaken since the establishment of the Ethics Office, in particular, during the reporting period. These activities include the integration of ethics components into several training modules of the Office of Human Resources Management, a new post-employment restrictions standard (Secretary-General's bulletin ST/SGB/2006/15, which came into force on 1 January 2007), ethics training for the global Secretariat, target workshops for high-risk groups and consultations on the acceptance and disposal of gifts received by staff in their official capacity. These and other focused efforts are ongoing activities of the Office, in collaboration with other relevant departments and offices, in order to ensure the harmonization of the understanding and interpretation of relevant rules and procedures.

15. The Ethics Office has been consulted, or has provided comments and advice, regarding policy reviews and standard-setting activities of other offices on ethics-related issues, such as the development of a code of conduct for a particular category or group of staff.

16. The Ethics Office worked closely with the Office of Human Resources Management and the Office of Legal Affairs on a bilingual (English/French) user-friendly guide entitled "Working Together: Putting Ethics to Work". The guide highlights the main challenges to professional and ethical conduct and clarifies the reasons behind the standards in the context of the Organization's mission and values. It also aims to raise staff awareness of ethics issues and provide them with easy access and reference to key documents, services and other resources in order to help staff put the values and principles of the Organization into practice. The intent of the guide is to contribute to developing a system-wide understanding of the United Nations Code of Conduct and other standards. The guide, launched on

22 May 2007, has been widely disseminated in the Secretariat. An electronic version is available through the Ethics Office website.

17. The Ethics Office has commenced preliminary work associated with the formulation of a system-wide code of ethics for all United Nations personnel, including personnel of other United Nations bodies and agencies, as requested by the General Assembly in paragraph 161 (d) of its resolution 60/1 on the 2005 World Summit Outcome and paragraph 16 (a) of resolution 60/254 on the review of the efficiency of the administrative and financial functioning of the United Nations. The Ethics Office has reviewed existing key documents governing the conduct of United Nations staff — including the Staff Regulations (ST/SGB/2006/4), the Staff Rules (ST/SGB/2002/1), the Status, Basic Rights and Duties of United Nations Staff Members (ST/SGB/2002/13) and the Standards of Conduct for the International Civil Service adopted by the International Civil Service Commission in 2001 and welcomed by the General Assembly in its resolution 56/244 (the 2001 standards of conduct) — in the context of their relevant principles and values, in order to be able to structure a values-based Code of Ethics for the United Nations system. Further consultation with staff representatives and management at various levels and of various United Nations system entities is to be undertaken in the near future.

B. Training, education and outreach activities

18. The Ethics Office is mandated to ensure annual training on ethics issues to strengthen and raise awareness of ethics, integrity and accountability, in collaboration with the Office of Human Resources Management. This requires ongoing development, review and adaptation of training programmes and materials. The Ethics Office is further mandated to develop other means of education and outreach.

19. The Ethics Office, in collaboration with the Office of Human Resources Management, continued to strengthen existing training programmes on ethics and integrity. The expanded and adapted half-day ethics training workshop entitled "Working Together: Professional Ethics and Integrity in Our Daily Work" was launched Secretariat-wide for staff members at all levels in November 2006, following a pilot phase in the Department of Management from October 2005 to March 2006. The workshop provided a forum to review typical ethical issues and dilemmas faced in the workplace and to promote a common understanding of and commitment to professional ethics and integrity among United Nations staff at all levels. Since it was launched, the workshop has been completed by staff at Headquarters, the United Nations Offices at Geneva and Nairobi, and the regional commissions for Africa, Latin America and the Caribbean (Mexico office), and Asia and the Pacific. As of July 2007, over 3,400 staff members had participated in this training programme. Further schedules of workshops are planned at most duty stations commencing September 2007.

20. Prior to the Secretariat-wide roll-out of ethics training, the Ethics Office, along together with the Office of Human Resources Management, organized a special programme on "Ethics in the Workplace" for senior officials at the Under-Secretary-General and Assistant Secretary-General levels. The briefing took place in October 2006 and was opened by the then Deputy Secretary-General and addressed by my predecessor. Presentations were also made by the Ethics Office and the Assistant

Secretary-General for Human Resources Management. Another briefing of this nature is planned for the second half of 2007.

21. Other initiatives include the induction programme for senior managers at the Under-Secretary-General and Assistant Secretary-General levels, which comprises an ethics component involving a one-on-one session with the Director of the Ethics Office. The workshop "Ethics and Integrity in Procurement" was developed by the Procurement Service, in collaboration with the Office of Human Resources Management and the Ethics Office. A series of workshops were held in July 2007 and were opened by the Director of the Ethics Office.

22. In addition, the Ethics Office has participated in a number of management development courses, in particular the leadership and management development programmes (for staff at the P-4/5 and D-1/2 levels). These courses now include ethics training components with tailored case studies developed jointly by the Ethics Office and the Office of Human Resources Management, as do courses in other areas, such as procurement and contract management, performance management and competency-based selection and interviewing skills. The collaborative efforts of the Ethics Office and the Office of Human Resources Management are ongoing to refine and tailor ethics training initiatives and expand their scope and range in line with evolving needs.

23. As part of its efforts to reach out to staff in field missions, the Ethics Office has participated in an evolving workshop of the Department of Peacekeeping Operations designed to train and qualify senior mission support staff in a variety of practices and procedures. At the request of the Department of Peacekeeping Operations, the Office provided input into the development of the ethics module for the workshop. Customized training modules have also been held for officials working in specialized and/or sensitive areas, including procurement and investment. In November 2006, the Office participated in the Department's senior mission administration and resource training (SMART) programme.

24. Staff members of the Ethics Office also regularly attended and delivered briefings at learning programmes or, upon request, for special target groups (for example, staff members with financial disclosure obligations or new staff orientations). This is an ongoing feature of the Office's work.

25. The Ethics Office has undertaken several outreach activities to promote its role, mandate and services, clarify rules and standards, as well as raise awareness of ethics and integrity among United Nations staff. The Office worked in collaboration with the United Nations iSeek administrators to launch an "Ethics in Action" series which highlights ethical dilemmas and the Organization's standards for dealing with them. Four bilingual (English/French) brochures, entitled "Introduction to the Ethics Office", "Financial Disclosure Programme", "Protection Against Retaliation" and "Conflicts of Interest", have been developed by the Office and disseminated widely, including online. These have been used in outreach, training and communication activities.

26. In an effort to ensure standard harmonization and best practice exchange with other public and international institutions, in line with common trends in public sector governance, the Ethics Office maintains a substantive affiliation with professional institutions dealing with ethics issues. It participated in two workshops on ethics and compliance, one organized by the Conference Board in March 2007 on

"Business Ethics and Compliance" and the other organized by the European Commission also in March 2007 on "Reinforcing EU-UN Active Partnership through Administrative Cooperation" (workshop II on ethics). The Office will continue to participate in professional activities and network with similar organizations for the benefit of sharing best practices and remain apprised of latest developments and trends in the field. The Office has provided considerable assistance to other United Nations bodies and agencies on various ethics issues, such as financial disclosure and training, in order to ensure inter-agency consistency of application and knowledge-sharing.

C. Advice and guidance

27. The Ethics Office plays an important role in providing confidential advice and guidance to individual staff, staff groups and other departments and offices, as appropriate and required. In addition, the Office has been consulted on the ethical aspects of proposed policy changes. This advisory and preventive role is at the heart of the mandate of the Office.

28. Staff members may contact the Ethics Office to discuss ethics-related issues, including potential and actual conflicts of interest, outside activities, post-employment activities, gift acceptance and a wide range of other concerns, and to obtain clarification of relevant rules and regulations. Based on the facts presented by the enquiring staff member, the Office provides advice on the various courses of action a staff member may take in his or her personal or professional life in order to ensure that they, in the performance of their official duties, act in the best interest of the United Nations.

29. Generally, advice may deal with clarifying the Organization's standards and rules concerning a prohibited or restricted activity. In addition, ethics advice can address issues that are not specifically dealt with in the regulations and rules and require a values-based interpretation.

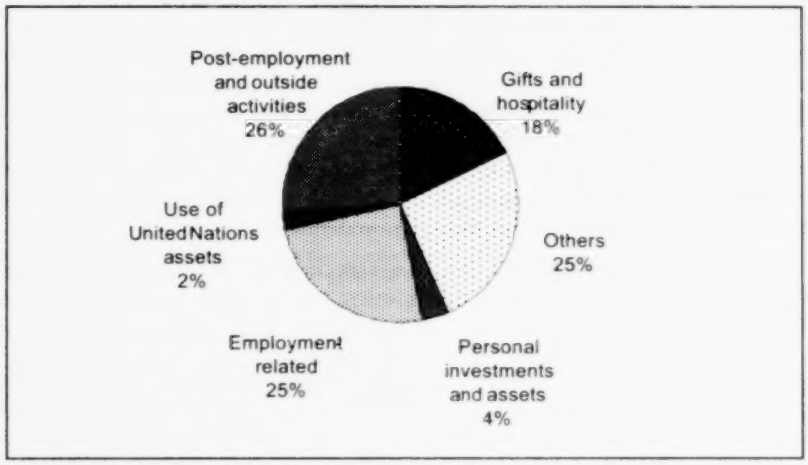
30. The Ethics Office does not replace existing mechanisms for reporting restricted activities (such as accepting gifts or participating in outside activities), or for granting authorization for such activities. Rather, it serves as an office from which one can seek advice prior to requesting authorization for a restricted activity in order to address any potential conflict of interest concerns.

31. During the reporting period, the Ethics Office received 162 requests for advice on a wide range of ethics-related concerns. Figure 5 presents a breakdown of requests by category: post-employment and outside activities (26 per cent); employment-related enquiries (23 per cent); personal investments and assets (4 per cent); gifts and hospitality (18 per cent); use of United Nations assets (2 per cent); and other enquiries (25 per cent).

32. On a monthly average, a considerable increase is noted in the total volume of requests for ethics advice during the current reporting period, as compared to the previous reporting period. It is also noteworthy that a major part of the requests during the reporting period were for advice on outside activities and post-employment activities, representing an increase of 5 per cent as compared to the previous reporting cycle. At the same time, the volume of requests relating to personal investments and assets decreased by 14 per cent, again when compared

with the previous reporting cycle. This decrease may be due, in part, to the fact that the financial disclosure programme is in its second year of operation.

Figure 5
Requests for ethics advice by issue
(1 August 2006-31 July 2007)


Post-employment and outside activities 26%
Gifts and hospitality 18%
Use of United Nations assets 2%
Others 25%
Employment related 25%
Personal investments and assets 4%

33. As the Ethics Office continues to establish itself, it has provided staff with a helpful and useful resource to interpret, guide and advise them on United Nations standards, rules and regulations. The changes noted above may point to the fact that: (a) ongoing training and other awareness-raising techniques have reached many staff; and (b) both managers and staff are more conscious of potential and/or actual conflicts of interest that may arise from their outside and post-employment activities, as well as their implications for their duties as United Nations staff. The increased volume of requests and the observed changes in the nature and type of requests indicate that there is growing demand for the Office's functions and services from staff at all levels.

34. The Ethics Office is further called upon by management to provide advice on potential conflicts of interest associated with possible senior-level appointments and ethical aspects of policy issues, including investment management and procurement.

35. In addition to the general advice and guidance offered to the global Secretariat, the Ethics Office, in the interest of ensuring the harmonization of policies and practices, responds to requests from other United Nations bodies and agencies on information-sharing and best practices.

D. Financial disclosure programme

36. The Ethics Office is mandated to administer the financial disclosure programme in order to maintain and enhance public trust in the integrity of the Organization. The primary purpose of the programme is to ensure that potential conflicts of interest arising from staff members' financial holdings, private

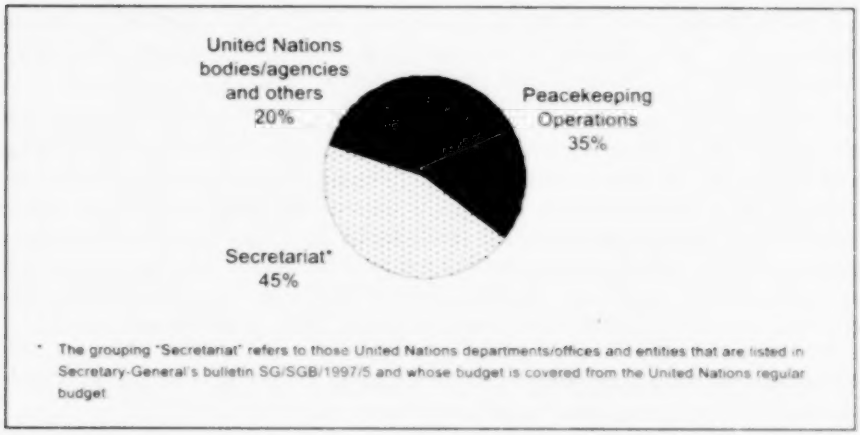
affiliations or outside activities can be identified and advice provided as to how best to manage the situation in the best interest of the United Nations. This may result in staff members being advised about the appropriate course of action, such as divesting themselves of holdings, or recusing themselves from a particular activity or aspect of their official functions.

37. The initial financial disclosure programme came into effect on 1 January 1999. However, the current Secretary-General's bulletin on financial disclosure and declaration of interest statements (ST/SGB/2006/6), which came into force on 1 May 2006, lowered the reporting thresholds and broadened the reporting requirements in respect of staff members' spouses and dependent children. It also broadened the scope of the policy to include: all staff members at the D-1/L-6 level and above; all staff (regardless of grade) whose principal duties include procurement or investment functions; and all those staff with access to confidential procurement or investment information. In addition, all staff serving in the Ethics Office are required to file financial disclosure statements.

38. The procedures adopted for the administration of the financial disclosure programme are based on best practices in other jurisdictions, particularly as they relate to the secure and confidential handling of data submitted by staff members. The General Assembly mandated that the statements submitted each year should be confidentially reviewed by an external financial firm. Following the established international public tender and evaluation procedure held in 2006, PricewaterhouseCoopers LLP (PwC) was selected. PwC commenced the first external review of staff members' financial disclosure and declaration of interest statements for the 2005 reporting period on 6 December 2006.

39. A total of 1,704 staff members were required to file a financial disclosure or declaration of interest statement regarding the 2005 filing period, which covered the period 1 January-31 December 2005. A total of 98 per cent (1,670 staff members) of staff complied with their obligation. The remaining 2 per cent (34 staff members) were referred to the Office of Human Resources Management for disciplinary action. Significantly, 58 per cent of staff submitted their statements via e-mail. Figure 6 below presents the breakdown of the distribution of participants in the financial disclosure programme for the 2005 filing period by organizational grouping: the Secretariat (including United Nations departments/offices and entities which are listed in Secretary-General's bulletin SG/SGB/1997/5 and whose budget is covered from the United Nations regular budget); peacekeeping operations; and United Nations bodies/agencies and others.

Figure 6
Financial disclosure participation by organizational grouping
(2005 filing period)


United Nations bodies/agencies and others 20%
Peacekeeping Operations 35%
Secretariat* 45%
* The grouping "Secretariat" refers to those United Nations departments/offices and entities that are listed in Secretary-General's bulletin SG/SGB/1997/5 and whose budget is covered from the United Nations regular budget

40. The financial disclosure statements submitted are reviewed for completeness of information and analysed in order to determine if there are any potential conflicts of interest between the staff members' confidentially disclosed private interests and their official duties and responsibilities.

41. In order to assess the impact of the 2005 financial disclosure programme had in relation to the reduction of organizational risk for financial conflicts of interest, PwC reported that 17, or 1 per cent, of the cases reviewed were identified as having a potential conflict of interest. In relation to these 17 cases, 14 staff members accepted the advice of PwC regarding the appropriate compliance arrangement in order to address the potential conflict, while 3 cases were referred to the Ethics Office for final resolution owing to a disagreement between the staff member and PwC regarding the recommended compliance arrangement.

42. In relation to staff acceptance and understanding of the programme, of the 1,670 staff members who filed their financial disclosure documents, 116 staff members initially submitted their financial statements in blank, while 760 staff members, or 46 per cent, submitted an incomplete statement. This is likely due to the fact that it was the first time the financial disclosure programme was introduced and implemented in the Secretariat. Each of these staff members was subsequently contacted and requested to fully meet their filing obligations. A fundamental goal of the programme for the 2006 filing period has been to increase the acceptance and understanding of the programme for staff members.

43. In addition to the review process, an important and integral part of the financial disclosure programme is the "verification process", which was conducted at random among staff members of all grades and offices. The intent of the "verification process" is to validate the information disclosed in those randomly selected 2005 financial disclosure statements and to ensure completeness of the information disclosed. No significant discrepancies were found by the external financial firm.

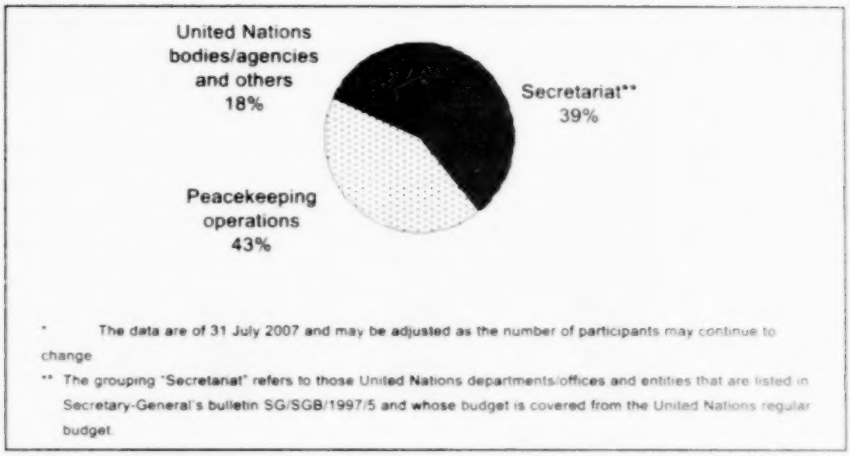
44. Owing to the delayed commencement of the 2005 filing cycle and the compression of time left for the development of an Internet-based filing system, the current 2006 filing cycle covering the period 1 January-31 December 2006 only began in May 2007. However, in future years, the filing cycle will revert to the established annual dates in March. Department heads have identified 2,584 staff members who are required to comply for the 2006 programme. PwC began reviewing all of the submitted 2006 statements in July 2007.

45. The new online e-filing system, which was developed by PwC in liaison with the Ethics Office, enhances efficiencies and standardizes procedures not only for staff but also for the Office and the external financial firm. Information is stored in a secure encrypted database with linkages to the site governed by a United Nations designated third-party secure socket layer digital certificate provider. The system meets with the United Nations general security/information technology functionality requirements. This secure online filing system, following a staff member's initial entry of data, will simplify and expedite future filing requirements, as only an update to individuals' already disclosed private interests will be required. Such standardization and secure retention of data ensures the operation of a more efficient and less time-consuming task for staff members.

46. Furthermore, the Ethics Office and PwC have developed an online training programme to familiarize staff members with the process, language and requirements of the financial disclosure programme. The training package has been produced in both English and French and all training resource materials will be updated in line with future developments. In the second quarter of 2007, the Office visited eight duty stations to provide outreach and training to staff regarding the programme and its new developments.

47. Figure 7 below illustrates the breakdown of the distribution of participants in the financial disclosure programme for the 2006 filing period by organizational grouping: the Secretariat (including United Nations departments/offices and entities which are listed in Secretary-General's bulletin SG/SGB/1997/5 and whose budget is covered from the United Nations regular budget); peacekeeping operations; and United Nations bodies/agencies and others. It is noteworthy that the largest group of those required to file financial disclosure statements are from peacekeeping operations (43 per cent) followed by the Secretariat staff (39 per cent). It is also worth mentioning that 77 per cent of the total filing staff are located in duty stations outside Headquarters.

Figure 7
Financial disclosure participation by organizational grouping
(2006 filing period)*



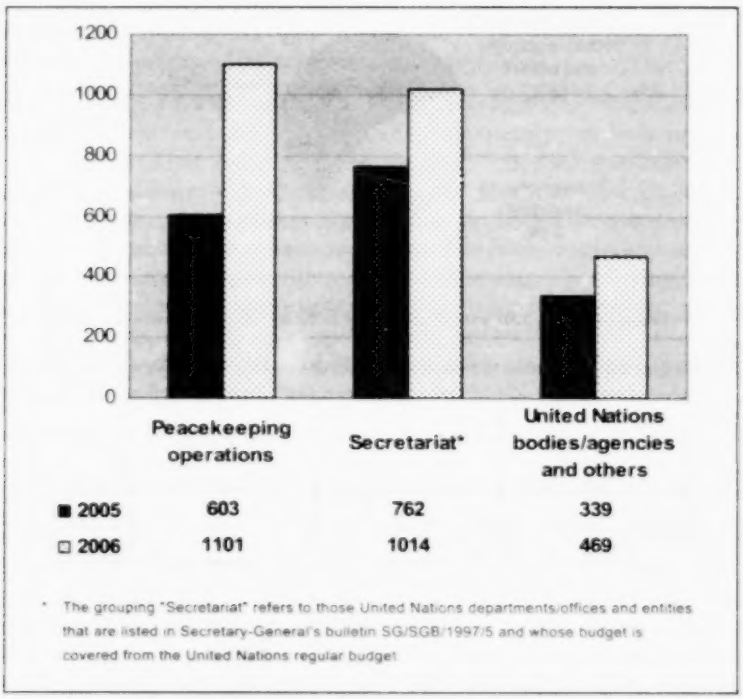
* The data are of 31 July 2007 and may be adjusted as the number of participants may continue to change.

** The grouping "Secretariat" refers to those United Nations departments/offices and entities that are listed in Secretary-General's bulletin SG/SGB/1997/5 and whose budget is covered from the United Nations regular budget.

48. The Ethics Office has received requests from various United Nations bodies and agencies (that were not originally obliged to adhere to the programme) to join in the financial disclosure programme. It has also liaised with other United Nations bodies and agencies that are in the process of establishing their own financial disclosure programme in order to share best practices. It will continue to monitor and encourage these bodies and agencies, as a matter of good governance, to develop and implement the same or similar programmes in the interest of the harmonization of United Nations-wide financial disclosure programmes.

49. Compared to the corresponding figures for the 2005 filing period, the number of staff required to file financial disclosure statements for 2006 has increased considerably. Figure 8 below presents a comparison of the participation levels between the two filing periods, in which the most notable increase is found in peacekeeping operations (the number nearly doubled, from 603 participants in 2005 to 1,101 participants in 2006). The overall increase likely reflects an increased awareness of the heads of departments as to the application of the financial disclosure programme in relation to their staff members' official duties and responsibilities as they particularly relate to procurement, investment of funds or being privy to confidential information regarding these matters.

Figure 8
Financial disclosure participation by year
(2005-2006)


1200
1000
800
600
400
200
0
Peacekeeping operations
Secretariat*
United Nations bodies/agencies and others
2005 603 762 339
2006 1101 1014 469
* The grouping "Secretariat" refers to those United Nations departments/offices and entities that are listed in Secretary-General's bulletin SG/SGB/1997/5 and whose budget is covered from the United Nations regular budget

50. The Ethics Office considers it necessary, in light of its own experience and feedback from both United Nations staff and PwC, to review the current online disclosure form and accompanying guidelines. Consultations with the Information Technology Services Division, the Office of Human Resources Management, the Office of Legal Affairs and other relevant offices will be carried out regarding modifications needed in order to align the policies and procedures with the programme requirements and processes.

51. Furthermore, the Ethics Office is in the process of conducting a review (as per the request of Member States) as to whether financial disclosure statements should be required of officials other than Secretariat officials and experts on mission with a fiduciary role. Given the policy-setting or oversight roles and the independence of the bodies and status of the members involved, careful consideration will be given to the question as to the need for an appropriate financial disclosure system for their members.

E. Protection of staff against retaliation for reporting misconduct and cooperating with duly authorized audits or investigations

52. The policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations entered into force on

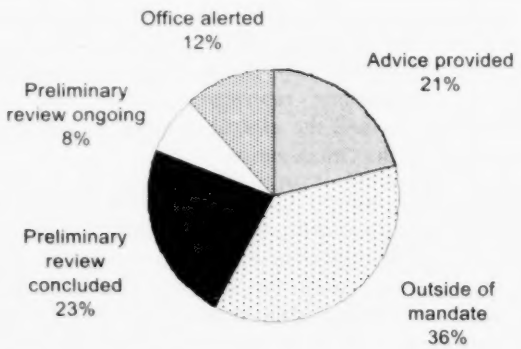
1 January 2006 with the publication of Secretary-General's bulletin ST/SGB/2005/21. This bulletin formalizes protective measures for staff members under threat of, or experiencing, retaliation for duly reporting misconduct in their working environment, or for cooperating with duly authorized audits or investigations. Once a prima facie case has been determined to exist, the policy shifts the burden of proof to the Organization, requiring the Administration to show that it would have taken the same action absent the protected activity.

53. Since its inception, the Ethics Office has been developing procedures and methodology associated with the handling of such cases. In this regard, an initial assessment of a case is made in order to determine whether it falls within the scope of the mandate and warrants a preliminary review. All complaints are handled according to specific procedures ensuring confidentiality and prompt attention.

54. For the current reporting period, the Ethics Office received 52 complaints of retaliation. After the initial assessment, it was determined that 16 complaints, or 31 per cent of the overall total, warranted a preliminary review. Of the 16, 2 cases were referred to the Office of Internal Oversight Services for further investigation following a determination that a prima facie case of retaliation had been established. No prima facie case was found in 10 cases and 4 cases continue to be under review.

55. Of the remaining 36 complaints, or 69 per cent of the overall total, 19 complaints fell outside the scope of the mandate and/or were referred by the Ethics Office to other offices, while 11 complainants were provided with advice and guidance on the more appropriate recourse mechanism to address their concerns. In addition, the Office was copied on six complaints that were primarily addressed to other departments or offices. In these instances, the Office keeps track of and follows up on any pending action by other offices. Figure 9 below presents a breakdown of retaliation complaints by category.

Figure 9
Retaliation complaints by category
(1 August 2006-31 July 2007)



56. The Ethics Office continues to consult with the Office of Human Resources Management, the Office of Legal Affairs, the Office of the Ombudsman, the

secretariat of the Joint Appeals Board and the Office of Internal Oversight Services to coordinate its response to individual cases or complaints, without compromising the confidentiality of sensitive information. This coordination is crucial to reducing the duplication of responses by the aforementioned offices in instances of multiple reporting of the same complaint.

57. During the current reporting period, the Ethics Office has been reviewing the policy in light of the issues raised in the complaints received. The policy review is an ongoing process, intended to identify any gaps and areas that require strengthening. Where appropriate, the Office has sought clarification on scope and application from the Office of Legal Affairs.

IV. Observations and recommendations

58. As stated at the beginning, the current report covers the first full operating cycle of the Ethics Office, from 1 August 2006 to 31 July 2007. The Office was fully staffed with a regular team and a new Director in May 2007. The activities undertaken by the Office during the reporting period, the increased volume of requests it received and the diversity of the requests for its services, in terms of the source of requests (that is, geographical location and United Nations entity), the varying professional levels of enquiring staff and the type of ethics issues raised as well as their complexity, clearly demonstrated the growing demand for the functions and services of the Office.

59. The Ethics Office considers it to be of utmost importance for the Organization to cultivate and nurture a culture of ethics, integrity and accountability in its work environment, beyond compliance with regulations and rules, and thereby to enhance the trust and credibility of the United Nations, both internally and externally. This will require further efforts and investment on the part of the Organization in raising staff awareness of ethics and integrity through training, education and advice, and by encouraging the harmonization of standards and their application throughout the United Nations.

60. A challenge for the Ethics Office remains the necessity to increase the awareness and compliance of staff members with the financial disclosure programme and to ensure that potential and/or actual conflicts of interest are prevented and managed at the outset, without any subsequent need for intervention. The financial disclosure programme represents a significant contribution to enhancing accountability efforts and the ethical mindset of the Organization, and helps to increase confidence in the Organization.

61. In view of the increased number of participants in the financial disclosure programme, it will be necessary to allocate additional resources in order to cover the associated costs for the external review of disclosure statements. Furthermore, the current contractual arrangements with the external financial firm are due to terminate during the month of October 2009, at which juncture the responsibility for the review and system hosting of the programme may revert to the Organization. In this regard, in the event that these responsibilities are assumed by the Ethics Office during the biennium 2008-2009, planning associated with resource allocation and development of the requisite in-house expertise will have to occur.

62. Although the protection against retaliation policy is linked to the internal justice system, the Ethics Office has thus far not been an integral part of the discussions on the reform of the administrative justice system based on the report of the Redesign Panel. This was partly due to the fact that the Office was newly established in January 2006 when the Panel had nearly completed its review. Consequently, in the final report of the Panel, there is no substantive discussion related to the Office and its role, current and future, within the administrative justice system. As a result, the Office has not had an opportunity to provide input on its role in the proposed new administrative justice system vis-à-vis other offices, such as the Office of Internal Oversight Services and the Office of the Ombudsman. It is important that the Ethics Office be included in the process of consideration of the proposed new administrative system. To this end, the Office will continue to review the policy on protection against retaliation in conjunction with other relevant offices, such as the Office of Legal Affairs and the Office of Human Resources Management in order to suggest amendments that would best fit within the internal justice mechanisms, particularly during and after the changes recommended by the Redesign Panel have been implemented.

63. In order to make its work better understood and to respond effectively to the growing demand for its services, in future, the Ethics Office needs to reach out to staff at different duty stations, including peacekeeping operations and regional commissions, through different ways and means. Outreach activities may include regular briefings, and annual training for senior mission leadership and procurement, finance, personnel and administration staff. Collaboration between the Office and other relevant departments and offices and United Nations bodies and agencies is important in order to forge harmonization in standard-setting and application.

64. It is important for the Ethics Office to expand its professional networking and collaboration with ethics and compliance offices in other institutions in the public, non-profit and private sectors. This partnership will help ensure that the Organization's efforts in standard-setting and culture change are in line with general trends and the latest developments, and with those adopted by professional organizations in regard to ethics and integrity.

65. Independence and impartiality are of vital importance in the functioning and operation of the Ethics Office, as is the case of ethics and compliance offices in any credible public institution. This status must be actively and effectively preserved and strengthened as the demand for upholding the highest standards of integrity becomes more pressing and the Office's work evolves.

66. With regard to evaluation, the General Assembly, in its resolution 60/254, requested the Secretary-General's views on the possible establishment of a group of internationally representative experts to provide periodic, independent assessment of the Ethics Office for the consideration of the Assembly at its sixty-second session. In view of the fact that: (a) the Office is 18 months old; (b) it only completed its first full operation cycle in July 2007; and (c) it only became fully staffed with a regular team and a new Director in May 2007, more time is required in order to permit the Office to put in place new policies, operating procedures and practices, and make necessary adjustments as its work evolves.

67. With regard to the request of the General Assembly to the Secretary-General to report on the staff perception of the impact of the Ethics Office on improving ethics

and integrity in the Organization, as contained in paragraph 16 (h) of resolution 60/254, preliminary work has been undertaken relating to the conduct of a second integrity awareness survey, during which the perception of the staff of the impact of the Office will also be sounded out.

68. In response to the request made by the Advisory Committee on Administrative and Budgetary Questions, as contained in paragraph 25 of its report (A/60/7/Add.13), that the Secretary-General describe the various ethics activities carried out by different organizational entities within the Secretariat, laying out a plan for coordination among them and exploring the possibility for redeployment of resources to the Ethics Office if needed, a preliminary survey of such activities has been carried out by the Office. A compilation of ethics-related activities undertaken by different departments/offices and entities is being developed.

69. The initial findings from the survey demonstrate that existing standards, in particular the United Nations Code of Conduct, that are applicable to the global Secretariat and other related rules and regulations remain the key authoritative source of guidance to the staff on ethics and integrity. In addition, a number of departments/offices and entities have developed department-specific supplemental codes, rules, guidelines, information or training in order to better inform staff members how to discharge their duties while at the same time ensuring that they, their family members and associated third parties do not benefit or appear to benefit from the decisions they make, the influence they may have or the information to which they may be privy. These include specific supplementary codes, such as codes of conduct with ethics components or conflicts of interest (for example, the code of conduct for human rights officers, a statement of independence for auditors, the declaration of principles for personnel of the Investigations Division of the Office of Internal Oversight Services), departmental specific rules which deal with the acceptance of gifts, outside activities, specific departmental training programmes, manuals and/or publications on ethics-related issues. Several departments/offices and entities have a designated focal point from whom staff can seek advice and guidance on ethics-related matters.

70. The Ethics Office continues to review the information it has received so far on ethics activities in various United Nations departments/offices and entities with a view to developing a plan to better coordinate them and exploring the possibility of effectively utilizing the resources available, including for possible redeployment of resources to the Office for stronger programme impact within the Secretariat, especially as the Office's work evolves over time.

V. Conclusion

71. Having completed its first operation cycle, the Ethics Office has well asserted its raison d'être and functions as a guardian of ethical standards and integrity of the United Nations and a source of guidance and advice for staff on ethics. Given the clear need to build a culture of ethics, integrity and accountability, and the growing demand for its services, the Office must continue to be an active and leading player in the ongoing process of United Nations management reform. In doing so, preserving the interests of the Organization and the highest ethical values and standards of integrity remain the ultimate goal and principle of its work.

Strengthening its independence and impartiality is one of the prerequisite premises for the Office to be successful and effective in fulfilling its mandate and functions.

72. The Ethics Office will continue to reach out to both staff and management as well as Member States and other stakeholders in the performance of its functions.

73. It is of crucial importance to uphold the highest standards of integrity among United Nations staff members, in accordance with Article 101 of the Charter of the United Nations. To this end, ethical standards must be scrupulously applied system-wide in a coherent manner and a code of ethics be developed for all United Nations personnel, as called for in General Assembly resolution 60/1 on the 2005 World Summit Outcome. While the main responsibilities of the Ethics Office have been clearly set out in Secretary-General's bulletin ST/SGB/2005/22 and endorsed by the General Assembly in its resolution 61/254, its jurisdiction is not system-wide. **In this regard and in order to ensure the coherent application and harmonization of ethical standards among all United Nations personnel, the General Assembly may wish to consider broadening the jurisdiction of the Ethics Office to cover all United Nations system entities and to provide further guidance on this matter.**

74. The General Assembly may wish to decide to consider, in its future sessions, the annual report of the Secretary-General on the work of the Ethics Office under a separate item, as appropriate.